

RESOLUTION NO. 2015-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT AMENDING ARTICLE II OF THE MASTER FEE SCHEDULE (RESOLUTION NO. 8672) REGARDING FEES FOR AFFORDABLE HOUSING

WHEREAS, on March 1, 1994, the City Council adopted Resolution No. 8672, as amended from time to time, establishing the City's Master Fee Schedule (the "Master Fee Schedule"), fixing and establishing fees, rates and charges for goods and services provided by the City of Fremont; and

WHEREAS, on December 2, 2014, the City Council adopted the Housing Element of the General Plan in compliance with State law, which includes the goal of encouraging the development of affordable housing to meet the City's assigned share of the regional housing need and, to implement that goal, includes a policy to increase opportunities for housing developers to provide moderate income units and to pay fees for affordable housing, because collection of such fees may provide a greater number of housing units that are affordable to households with extremely low, very low, and low incomes; and

WHEREAS, to implement the affordable housing goals, objectives, policies and programs of the City's Housing Element, the City Council has considered and introduced on this same date an updated affordable housing ordinance (Title 18, Chapter 18.155 of the Fremont Municipal Code) (the "Affordable Housing Ordinance") which, among other things: 1) in for-sale residential projects, provides for production of moderate income units or the payment of Affordable Housing Fees and requires the payment of Affordable Housing Fees to mitigate the impact of market-rate projects on the need for extremely low, very low, and low income housing; and 2) in rental residential projects not receiving City incentives or assistance, continues to require the payment of Affordable Housing Fees to mitigate the project's impact on the need for affordable housing in the City; and

WHEREAS, land prices are a key factor in preventing development of new affordable housing. New housing construction in the City which does not include affordable units aggravates the existing shortage of affordable housing by absorbing the supply of available residential land. This reduces the supply of land for affordable housing and increases the price of remaining residential land. At the same time, new market-rate housing contributes to the demand for goods and services in the city, increasing local service employment at wage levels which often do not permit employees to afford housing in the city; and

WHEREAS, the City Council has considered the "Residential Nexus Analysis, Fremont, California," dated August 2014 and prepared by Keyser-Marston Associates, Inc. (the "Nexus Study"), which study demonstrated that, to fully mitigate the impacts of new market-rate units in for-sale and rental residential projects on the need for affordable housing, an affordable housing impact fee of \$26.40 to \$30.50 per square foot of new market rate development would be needed; and

WHEREAS, a Keyser-Marston supplemental memorandum dated February 9, 2015 documented the impacts of rental housing on the need for affordable housing. The two nexus studies are referred to collectively in this resolution as “the Nexus Studies.” The supplemental memorandum found that the production of rental housing projects with 12.9% affordable rental units at the following levels would mitigate the impact of new rental housing projects:: 2.4% moderate-income, 4.2% low-income, 3.2% very low-income and 3.1% extremely low-income; and

WHEREAS, to implement the affordable housing goals, objectives, policies and programs of the City's Housing Element, the City Council desires to adopt the Nexus Studies and implement Affordable Housing Fees applicable to residential projects, and, to encourage the development of rental housing, desires to set rates that incentivize both market rate rental construction as well as smaller units that may be more affordable by design; and

WHEREAS, the adopted Affordable Housing Fees are lower than the amount needed to fully mitigate the impacts of new market-rate units in for-sale and rental residential projects on the need for affordable housing, as shown in the Nexus Study; and

WHEREAS, in compliance with the Affordable Housing Ordinance, all Affordable Housing Fees collected shall be deposited into the City of Fremont Affordable Housing Development Fund to be used only for those purposes included in the Affordable Housing Ordinance; and

WHEREAS, at least ten days prior to the date this resolution is being considered, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues in accordance with Government Code Section 66019; and

WHEREAS, the notice has been provided to persons who have requested notice of these fees in accordance with Government Code Section 66019; and

WHEREAS, notice of the hearing on the proposed fees was published twice in the manner set forth in section 6062a as required by Government Code Section 66018; and

WHEREAS, a public hearing was conducted by the City Council on March 3, 2015.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FREMONT HEREBY RESOLVES AS FOLLOWS:

Based on information set forth in the staff report to the City Council dated March 3, 2015, as well as any other information submitted to or considered by the Council during its deliberations on this matter:

SECTION 1. The Master Fee Schedule is hereby amended as shown in Attachment A.

SECTION 2. The Master Fee Schedule shall be kept on file in the office of the City Clerk.

SECTION 3. It is the intent of the City Council to review the production of affordable housing and the status of collection of Affordable Housing Fees along with the City Council's annual review of compliance with the City's Housing Element.

SECTION 4. This Resolution shall take effect 60 days after the adoption of the amendment to the Affordable Housing Ordinance which is scheduled for adoption on March 17, 2015.

ADOPTED March 3, 2015, by the City Council of the City of Fremont by the following vote:

AYES: Mayor Harrison; Vice Mayor Chan; Councilmember Jones

NOES: Councilmembers Bacon and Mei

ABSENT: None

ABSTAIN: None



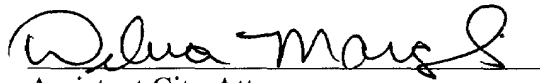
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

ATTACHMENT "A" TO RESOLUTION 2015-XX

L. **Affordable Housing Fees** (Resolution 2015-09)

Residential Project deemed complete for processing after 5/16/2015:

	Through June 2016	July 2016- June 2017	Beyond July 2017
1. For-Sale Housing Fees			
a. Lower income attached units ¹	\$11.00	\$14.25	\$18.50
b. Lower income detached units ¹	\$11.00	\$13.25	\$17.50
c. Moderate-income units ²	\$ 8.50	\$ 8.50	\$ 8.50

For-Sale Residential Project deemed complete for processing prior to 5/16/2015.

	Through June 2016	July 2016- June 2017	Beyond July 2017
2. For-Sale Housing Fee ³			
a. Single-Family Homes on Lots 6,000 SF or greater	\$22.50	-- Rates Indexed ⁵ --	--
b. All other Market-Rate, For-Sale units	\$19.50	-- Rates Indexed ⁵ --	--

All Rental Projects:

	Through June 2016	July 2016- June 2017	Beyond July 2017
3. Rental Housing Fee ⁴			
a. Without underlying subdivision map:			
1. Units greater than 700 gross square feet	\$17.50	\$17.50	\$17.50
2. Units less than or equal to 700 gross square feet	\$ 8.75	\$ 8.75	\$ 8.75
b. With underlying subdivision map	\$19.50	\$22.75	\$27.00

¹ Fee per habitable square foot of market-rate housing in for-sale residential projects to mitigate the cost of construction for lower income units, as required by Fremont Municipal Code Section 18.155.030(a). "Lower income" includes extremely low-, very low- and low-income units.

² Fee per habitable square foot of market-rate housing in for-sale residential projects in lieu of construction of moderate-income units on-site, as permitted by Fremont Municipal Code Section 18.155.080(f).

³ Fee per habitable square foot of market-rate housing in for-sale residential projects in lieu of construction of affordable units on-site, as previously permitted by Fremont Municipal Code Section 18.155.080(f).

⁴ Fee per habitable square foot of rental housing to mitigate the project's impact on the need for affordable housing where the rental project is not providing affordable rental housing by agreement with the City pursuant to Municipal Code Section 18.155.080(h).

⁵ Based upon Engineering News Record McGraw-Hill Construction Weekly Building Cost Index for San Francisco but no higher than justified by the Nexus Study.